First Financial Holdings, Inc.

Nasdaq: FFCH

March 31, 2012

Forward-looking Statements

Discussions and statements in this presentation that are not statements of historical fact and statements regarding First Financial Holdings Inc.'s ("First Financial") future financial and operating results, plans, objectives, expectations and intentions, are forward-looking statements that involve risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially. Factors that could cause or contribute to such differences include, without limitation, risks and uncertainties detailed from time to time in First Financial's filings with the Securities and Exchange Commission.

Other factors not currently anticipated may also materially and adversely affect First Financial's results of operations, cash flows, and financial position. There can be no assurance that future results will meet expectations. While First Financial believes that the forward-looking statements in this presentation are reasonable, you should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. First Financial does not undertake, and expressly disclaims any obligation to update or alter any statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Overview

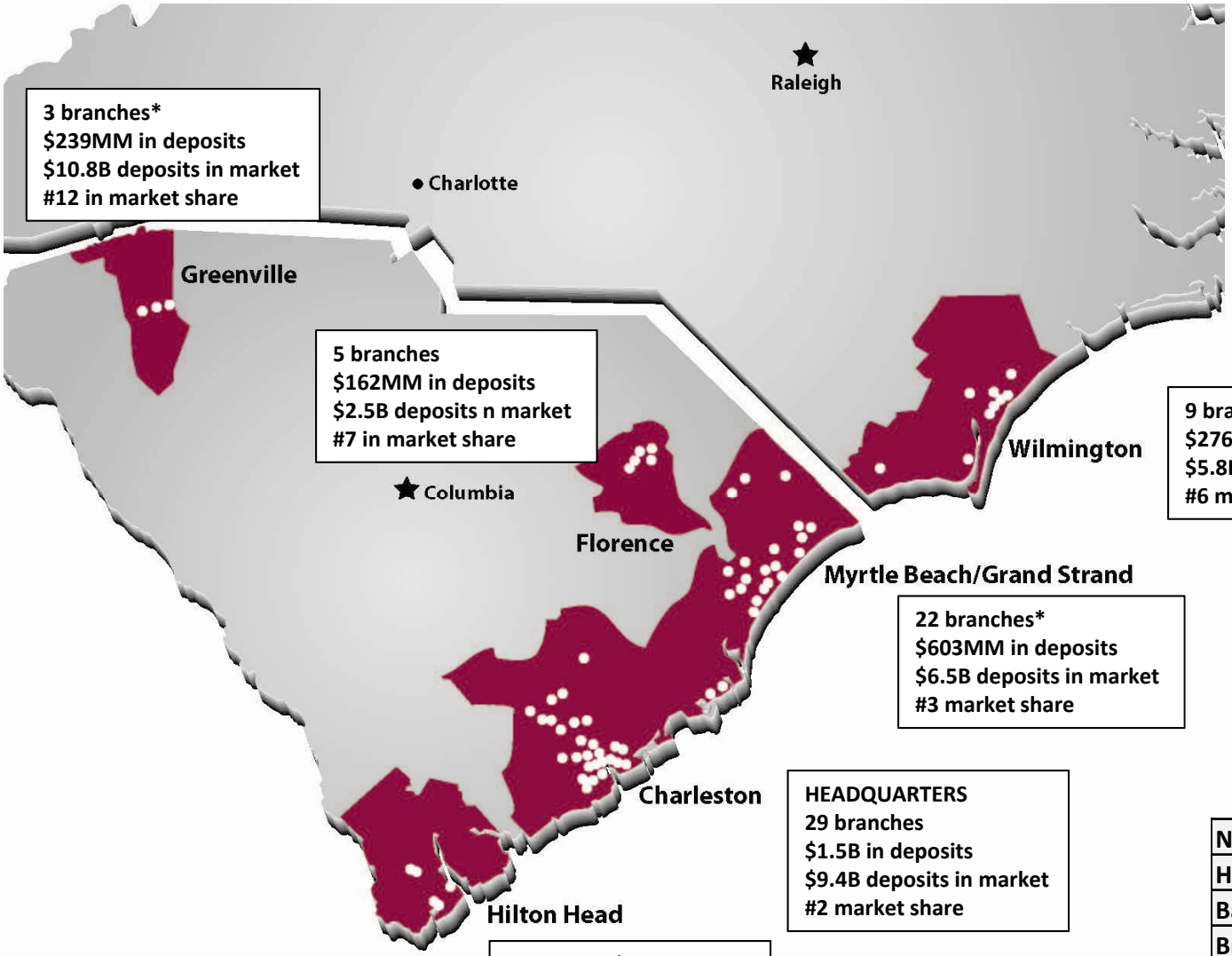
Corporate Profile

- **Carolinas-based financial institution**
  - Largest publicly traded bank headquartered in Charleston, SC
  - Serving customers' banking needs since 1934
  - Primary markets located in the Coastal Carolinas, Florence and Greenville, SC
  - Total of 73 financial centers with approximately 25% "in-store" locations
  - Convenient seven-day-a-week banking

- **Diversified business mix**
  - Business Banking team delivers cash management and small business advisory services
  - Mortgage origination services available through financial centers and third-party channels
    - Total servicing portfolio of $2.5 billion including $1.5 billion serviced for others
  - Wealth management group offers personal relationship banking, trust, brokerage, and 401(k) administration services

- **Strategic advantages**
  - Strong asset quality
  - Solid capital levels
  - Growth markets and strong distribution channels
  - Experienced management team and associates

First Financial Footprint



3 branches*
$239MM in deposits
$10.8B deposits in market
#12 in market share

5 branches
$162MM in deposits
$2.5B deposits n market
#7 in market share

9 branches
$276MM in deposits
$5.8B deposits in market
#6 market share

22 branches*
$603MM in deposits
$6.5B deposits in market
#3 market share

HEADQUARTERS
29 branches
$1.5B in deposits
$9.4B deposits in market
#2 market share

5 branches*
$200MM in deposits
$3.3B deposits in market
#7 market share

NASDAQ Traded	FFCH
Headquarters	Charleston, SC
Bank Founded	1934
Branches*	73
Asset Size*	$3.5 Billion
Loans*	$2.6 Billion
Deposits*	$2.8 Billion

Note: FDIC deposit data as of June 30, 2011
Data Source: SNL Financial
* Proforma includes branches acquired from Liberty and Plantation Federal

Management Team

Name	Position	Age	Years of Financial Services Experience	Relevant Experience
R. Wayne Hall	President and Chief Executive Officer	61	36	EVP / CRO at Provident Bank
Blaise B. Bettendorf	Executive Vice President - Chief Financial Officer	49	28	SVP / CFO at Carolina Commerce Bank, and Summit National Bank; Previously Audit Manager with PricewaterhouseCoopers
J. Dale Hall	Executive Vice President - Chief Banking Officer	64	42	SVP / Commercial Market Executive at Bank of America
Joseph W. Amy	Executive Vice President - Chief Credit Officer	62	38	Credit positions at Mellon and U.S. Bank
Richard A. Arthur	Executive Vice President - Retail Banking	39	16	SVP at Bank of America
Susan A. Bagwell	Executive Vice President - Human Resources	48	27	VP Human Resources at First Federal
Robert L. Davis	Executive Vice President - Corporate Counsel	59	30	Managing Director and General Counsel at Provident Bankshares Corporation/Provident Bank
John N. Golding	Executive Vice President - Commercial Banking	44	22	SVP at Wachovia/Wells Fargo
Kellee S. McGahey	Executive Vice President - Marketing	33	2	Assistant Director at College of Charleston/Lowcountry Graduate Center
Eartha C. Morris	Executive Vice President - Support Services	55	34	EVP / COO at Congressional Bank EVP / Head of Bank Operations at PNC Bank (formerly Riggs National Bank)
Daniel S. Vroon	Executive Vice President - Wealth Management	44	15	SVP Bank of America

Strategic Acquisition

Plantation Federal Bank

- FDIC-assisted transaction
  - Purchased substantially all assets and assumed deposits and certain other liabilities of Plantation Federal Bank on April 27, 2012
  - Branches opened for business as First Federal financial centers on Monday, April 30th
- Locations include Grand Strand coastal market and Upstate SC
  - Initial entry into the demographically attractive Greenville market, providing geographic diversification
  - Expanded market share in existing Myrtle Beach and Pawleys Island markets
- Financially attractive
  - Immediately accretive to EPS and tangible book value
  - No external capital needed to complete transaction
  - Considerable opportunity for operating efficiencies
  - Credit risk mitigated through loss-sharing agreement

Transaction Overview

Plantation Federal Bank

Transaction Summary[1]		
($ in thousands)		
Total assets		$ 486,400
Total loans, before fair value marks		348,649
Residential 1-4 mortgages	38.3%	
Commercial	61.0%	
Consumer	0.7%	
Total deposits		440,511
Transaction accounts	12.7%	
Savings & money market	29.9%	
Time deposits	57.4%	
Asset discount bid		47,000
Initial cash settlement from FDIC		46,000

[1] Based on reported book values as of December 31, 2011, excluding fair value adjustments

Loan Loss Summary	
($ in thousands)	
Covered assets, including commercial loans and OREO[2]	$ 221,700
Loss coverage -	
Tranch 1: Up to $55 million	80.0%
Tranch 2: > $55 million, up to $65 million	0.0%
Tranch 3: > $65 million	60.0%
True up provision -	
If losses are less than Intrinsic Loss estimate, upside shared with FDIC	

[2] Based on FDIC Bid Valuation Date as of February 2, 2012, excluding fair value adjustments

Market Share Analysis

Plantation Federal Bank

Market	# of New Branches	Pro Forma after Acquisition		
		Total Deposits (000s)	Deposit Market Share (%)	Market Share Rank
Pawleys Island/Georgetown, SC	1	$211,713	20.33%	1
Myrtle Beach/No. Myrtle Beach, SC	2	391,592	7.21%	6
Greenville, SC	3	238,923	1.85%	12

Source - SNL Financial; FDIC deposit data as of June 30, 2011

Plantation Federal Bank Overview:

- Founded in 1986 in Pawleys Island, SC
- Leading market share in Pawleys Island
- Established First Savers Bank in Greenville, SC as separate de novo charter in 1996
- Combined Plantation and First Savers charters in 2008
- Attractive deposit mix with solid core deposits in excess of 40%

Strategic Expansion

Liberty Savings Bank Branches

- On April 20, 2012, consummated the acquisition of five branches from Liberty Savings Bank, FSB in Hilton Head market
- Moved to 7th from 12th in market share and doubled deposit base
- Consolidated 3 locations and added 2 new financial centers
- Attractive deposit mix with solid core deposits in excess of 75% and low cost of funds
- Loans acquired were all performing and in-market

Transaction Summary[1]	
($ in thousands)	
Assets acquired:	
Total loans, before fair value marks	
Residential 1-4 mortgages	$ 5,664
Commercial	2,522
Consumer	12,568
	$ 20,754
Liabilities assumed:	
Total deposits	
Transaction accounts	$ 59,800
Savings & money market	25,106
Time deposits	28,135
	$ 113,041

[1] Based on book values as of April 20, 2012 closing, excluding fair value adjustments

Strategic Priorities

- **Profitability enhancements**
  - Explore specialty financing opportunities
  - Expand mortgage correspondent and retail lending channels
  - Expand Wealth Management presence and territory for broker-dealer and 401k administration division
  - Enhance operating efficiencies through process improvement initiatives
- **Position the franchise for the future**
  - Fully integrate acquisitions and achieve efficiencies
  - Launch the brand in the new Greenville market
  - Consider financially and strategically attractive non-dilutive growth opportunities

FINANCIAL REVIEW

March 2012 Quarter Highlights

- **Core net income of $3.8 million, representing the fourth consecutive quarter of increases**
- **Strong net interest margin of 3.84%**
- **Stable charge-off levels and third consecutive quarter of reduced provision for loan losses**
- **Allowance for loan losses of 2.16% and 1.48x coverage for non-covered nonperforming loans**
- **Strong capital measures, which increased over the prior quarter**
  - **Tangible common equity ratio of 6.70%**
  - **Tier 1 leverage capital ratio of 10.22%**
  - **Total risk-based capital ratio of 16.08%**

Operating Results Highlights

($ in thousands)	For the Quarter Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Core operating (loss) income[1]	$ (1,365)	$ (131)	$ 1,720	$ 2,866	$ 3,848
Net income (loss)	(430)	(43,000)	1,077	15,572	1,739
Net interest income	29,287	29,416	29,064	28,899	28,252
Provision for loan losses[2]	12,675	77,803	8,940	7,445	6,745
Noninterest income	11,255	11,422	14,238	32,770	13,182
Noninterest expense	30,145	28,599	29,588	28,886	28,709
State NOL DTA write-off	---	---	---	---	2,111
(Loss) income from continuing operations	(1,365)	(40,276)	2,881	15,572	1,739
Income (loss) from discontinued operations (net of income taxes)[3]	935	(2,724)	(1,804)	---	---
EPS - continuing operations	(0.14)	(2.50)	0.12	0.88	0.05
EPS - common	(0.08)	(2.66)	0.01	0.88	0.05
Pretax preprovision earnings from continuing operations[3]	10,397	12,239	13,714	32,783	12,725
Net interest margin	3.83%	3.83%	3.87%	3.91%	3.84%

[1] Excludes the after-tax effect of: the loan reclassification to held for sale for June 30, 2011 of $(42.9) million, gains on loans sold for September 30, 2011 of $1.2 million and for December 31, 2011 of $12.7 million and DTA write-off for March 31, 2012 $(2.1) million

[2] June 30, 2011 and September 30, 2011 include $65.7 million and $1.4 million, respectively in additional net provision due to the reclassification of loans to loans held for sale

[3] Sale of First Southeast Insurance was completed on June 1, 2011 and the sale of Kimbrell was completed on September 30, 2011

Net Interest Margin Analysis

($ in thousands)	For the Quarter Ended March 31, 2011 Average Balance	Interest	Average Rate	March 31, 2012 Average Balance	Interest	Average Rate	Change in Average Balance	Interest	Basis Points
Earning assets:									
Interest-bearing deposits	$ 7,294	$ 2	0.11%	$ 8,484	$ 1	0.05%	$ 1,190	$ (1)	(6)
Investment securities[1]	435,568	4,774	4.52	490,356	3,867	3.31	54,788	(907)	(121)
Loans[2]	2,607,161	34,844	5.42	2,420,000	32,476	5.39	(187,161)	(2,368)	(3)
FDIC indemnification asset	65,686	564	3.48	48,774	15	0.12	(16,912)	(549)	(336)
Total earning assets	3,115,709	40,184	5.25	2,967,614	36,359	4.94	(148,095)	(3,825)	(31)
Interest-bearing liabilities:									
Deposits	2,172,657	6,879	1.28	1,946,317	3,951	0.82	(226,340)	(2,928)	(46)
Borrowings	555,630	4,018	2.93	609,665	4,156	2.73	54,035	138	(20)
Total interest-bearing liabilities	2,728,287	10,897	1.62	2,555,982	8,107	1.28	(172,305)	(2,790)	(34)
Net interest income		$29,287			$28,252			$(1,035)	
Net interest margin			3.83%			3.84%			1

[1] Interest income used in the average rate calculation includes the tax equivalent adjustment of $144 thousand and $182 thousand for the quarter ended March 31, 2011 and March 31, 2012, respectively, calculated based on a federal tax rate of 35%.

[2] Average loans include loans held for sale and nonaccrual loans. Loan fees, which are not material for any of the periods, have been included in loan interest income for the rate calculation.

Noninterest Income

($ in thousands)	For the Quarter Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Service charges and fees on deposit accounts	$ 6,381	$ 6,982	$ 7,196	$ 7,099	$ 7,302
Mortgage and other loan income	1,124	2,051	2,743	2,681	3,435
Trust, plan administration and brokerage fees	1,778	1,773	1,921	1,724	1,745
Other	675	670	647	650	769
Other-than-temporary-impairment	(122)	(54)	(169)	(180)	(69)
Total core noninterest income	9,836	11,422	12,338	11,974	13,182
Gain on sold loan pool, net	---	---	1,900	20,796	---
Gain on sale of security	1,419	---	---	---	---
Total noninterest income	$ 11,255	$ 11,422	$ 14,238	$ 32,770	$ 13,182

Noninterest Expense

($ in thousands)	For the Quarter ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Salaries and employee benefits	$ 15,614	$ 15,373	$ 14,672	$ 14,511	$ 15,142
Occupancy costs	2,208	2,116	2,188	2,144	2,267
Furniture and equipment	1,825	1,769	1,725	1,870	1,809
Other real estate expenses, net	(133)	800	3,115	1,541	530
FDIC insurance and regulatory fees	1,484	850	576	830	986
Professional services	1,326	1,094	1,521	1,019	1,431
Advertising and marketing	993	810	868	792	656
Other loan expense	925	1,099	990	1,043	1,351
Intangible asset amortization	82	82	79	90	90
Other expense	4,039	3,976	3,854	5,046	4,447
Total core noninterest expense	$ 28,363	$ 27,969	$ 29,588	$ 28,886	$ 28,709
Compensation agreements	1,782	---	---	---	---
Goodwill impairment	---	630	---	---	---
Total noninterest expense	$ 30,145	$ 28,599	$ 29,588	$ 28,886	$ 28,709

Balance Sheet Summary

($ in thousands)	As of March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Total assets	$ 3,302,012	$ 3,221,544	$ 3,206,310	$ 3,146,964	$ 3,145,538
Investment securities	446,464	478,570	469,561	457,730	500,331
Loans	2,559,845	2,372,069	2,355,280	2,385,457	2,355,567
Allowance for loan losses	85,138	55,491	54,333	53,524	50,776
Net loans	2,474,707	2,316,578	2,300,947	2,331,933	2,304,791
Deposits	2,344,780	2,315,745	2,302,857	2,239,138	2,264,489
Borrowings	608,710	604,704	605,204	608,204	580,204
Shareholders' Equity	311,527	266,564	268,506	277,178	278,043
Loan/deposit ratio	109.17%	102.43%	102.28%	106.53%	104.02%
Allowance for loan losses/total loans	3.33%	2.34%	2.31%	2.24%	2.16%

Capital Position

	As of				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
First Financial (FFCH)					
Equity to assets	9.43%	8.27%	8.37%	8.81%	8.84%
Tangible common equity to tangible assets[1]	6.40	6.08	6.27	6.67	6.70
Book value per common share	$ 14.92	$ 12.20	$ 12.31	$ 12.84	$ 12.89
Tangible common book value per share[1]	12.65	11.83	12.16	12.69	12.75
Dividends paid per common share, authorized	0.05	0.05	0.05	0.05	0.05
Common shares outstanding, end of period (000s)	16,527	16,527	16,527	16,527	16,527
Tier 1 leverage capital ratio[2]					10.22%
Tier 1 risk-based capital ratio[2]					14.81
Total risk-based capital ratio[2]					16.08
First Federal (FFB)[3]					
Tier 1 leverage capital ratio	8.58%	7.48%	8.26%	8.92%	9.00%
Tier 1 risk-based capital ratio	11.51	10.07	11.26	12.35	13.05
Total risk-based capital ratio	12.78	11.33	12.53	13.61	14.32

[1] Non-GAAP

[2] The quarter ended March 31, 2012 represents the first period bank holding company ratios are required to be filed with the Federal Reserve Bank included within FR Y-9C, *Consolidated Financial Statements for Bank Holding Companies.*

[3] Capital ratios for the quarter ended March 31, 2012 for First Federal Bank are based on reporting requirements for financial institutions filing FFIEC 041, *FDIC Consolidated Reports of Condition and Income* (the "Call" Report). Prior period ratios are reported based on superseded regulatory requirements previously issued by the Office of Thrift Supervision.

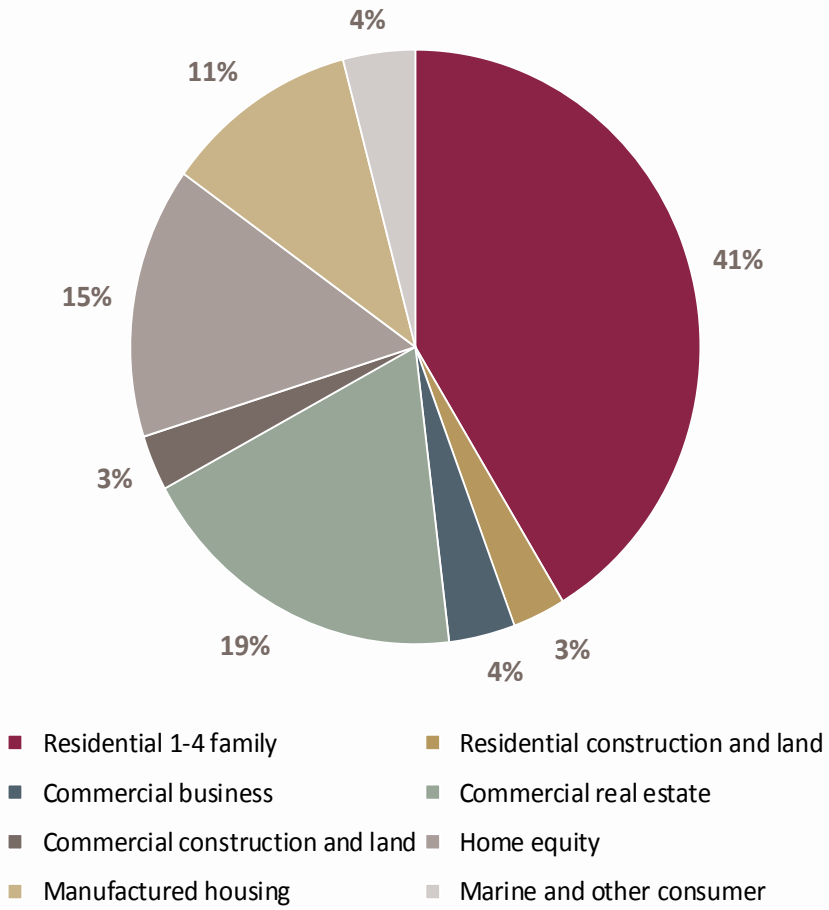
Investment Portfolio

- 49% fixed/ 51% variable
- Average portfolio yield: 3.23%
- Modified duration: 3.2 years
- Private label/CMO: mostly 2003-2005 vintages
  - All but 3 securities are in super senior or senior tranches (3 are in mezzanine)
  - Part of at least one support tranche exists on all CMOs
- Bank trust preferred CDOs: <$1 million individually; all are in mezzanine tranche

	As of			
	March 31, 2011		March 31, 2012	
($ in thousands)	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Securities available for sale				
Obligations of the U.S. Government agencies and corporations	$ 1,890	$ 1,897	$ 1,755	$ 1,784
State and municipal obligations	450	457	450	481
Collateralized debt obligations	7,434	3,494	6,941	3,515
Mortgage-backed securities	68,781	72,071	139,057	142,794
Collateralized mortgage obligations	297,664	300,263	290,458	287,797
Other securities	5,181	5,047	5,797	6,160
Total securities available for sale	$ 381,400	$ 383,229	$ 444,458	$ 442,531
Securities held to maturity				
State and municipal obligations	$ 21,055	$ 22,300	$ 19,327	$ 22,045
Certificates of deposit	907	907	508	508
Total securities held to maturity	$ 21,962	$ 23,207	$ 19,835	$ 22,553

Loan Composition

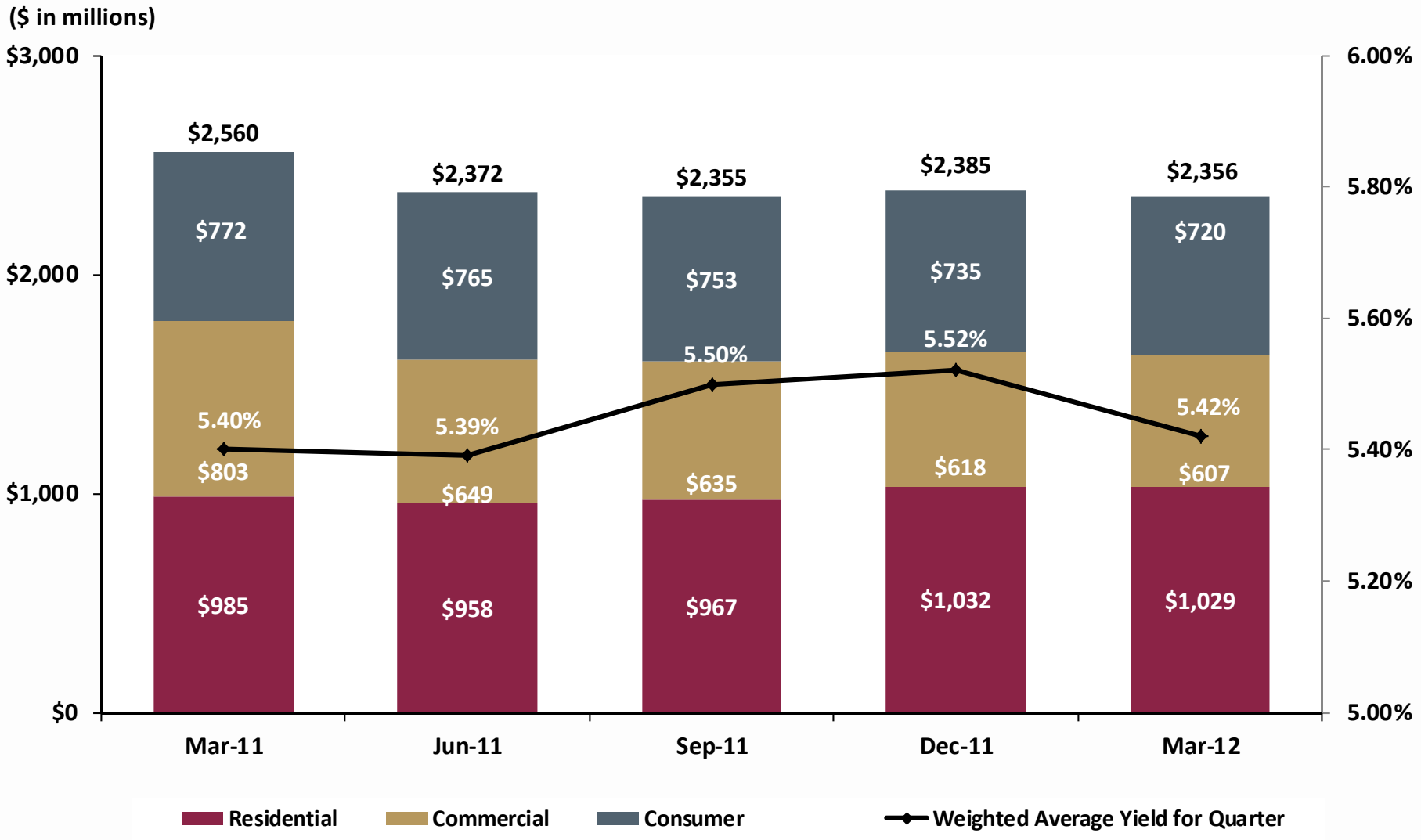
March 31, 2012



($ in thousands)	March 31, 2011 Balance	March 31, 2011 Avg Yield	March 31, 2012 Balance	March 31, 2012 Avg Yield
Residential loans				
Residential 1-4 family	$ 916,146		$ 972,881	
Residential construction	20,311		15,501	
Residential land	48,955		40,794	
Total residential loans	985,412	4.24%	1,029,176	4.10%
Commercial loans				
Commercial business	91,005		88,411	
Commercial real estate	570,300		446,982	
Commercial construction	22,269		16,289	
Commercial land	119,326		54,786	
Total commercial loans	802,900	5.45%	606,468	5.81%
Consumer loans				
Home equity	387,957		347,825	
Manufactured housing	270,694		275,845	
Marine	59,428		50,458	
Other consumer	53,454		45,795	
Total consumer loans	771,533	6.76%	719,923	6.92%
Total loans	$ 2,559,845	5.37%	$ 2,355,567	5.40%
Covered loans[1]	$ 173,673		$ 141,386	

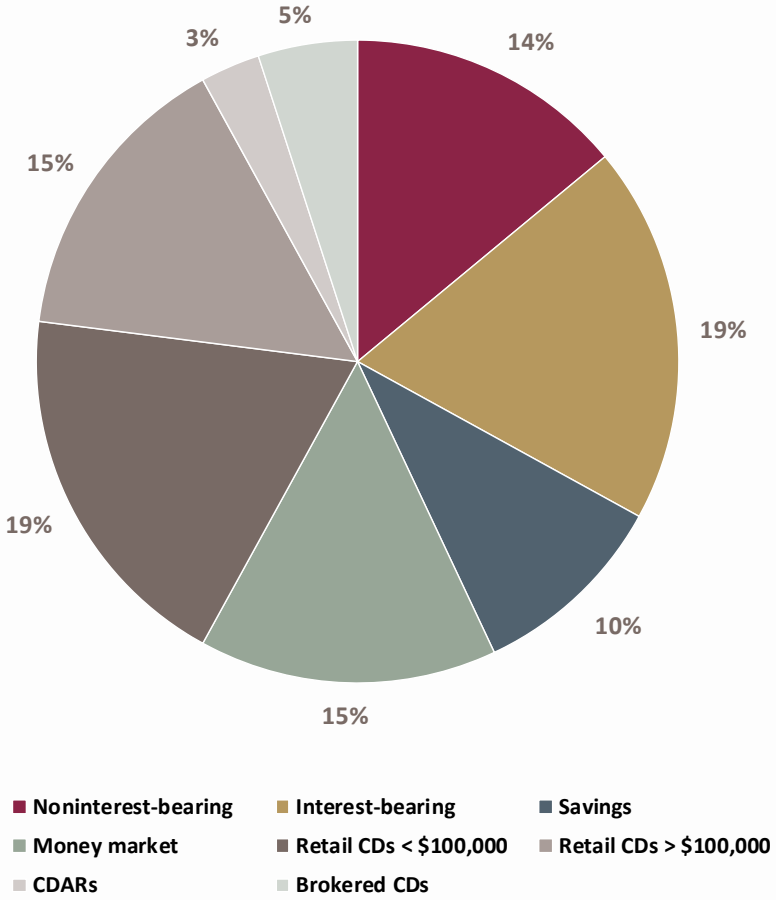
[1] Covered loans were acquired in the Cape Fear Bank FDIC-assisted transaction and are subject to a loss share agreement

Loan Trends


($ in millions)
$3,000
$2,000
$1,000
$0
6.00%
5.80%
5.60%
5.40%
5.20%
5.00%
$2,560
$2,372
$2,355
$2,385
$2,356
$772
$765
$753
$735
$720
5.40%
5.39%
5.50%
5.52%
5.42%
$803
$649
$635
$618
$607
$985
$958
$967
$1,032
$1,029
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Residential
Commercial
Consumer
Weighted Average Yield for Quarter

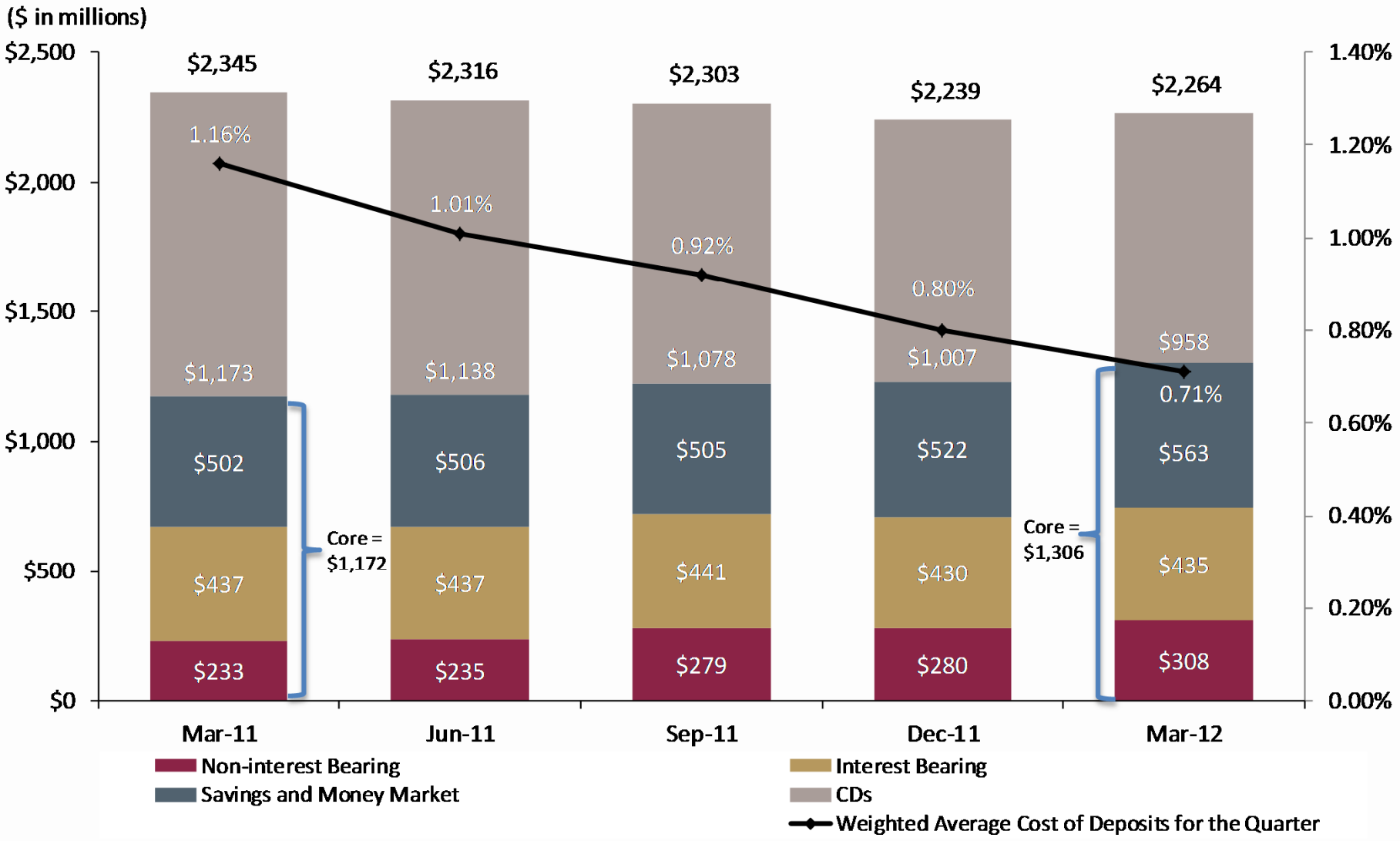
Deposit Mix

March 31, 2012



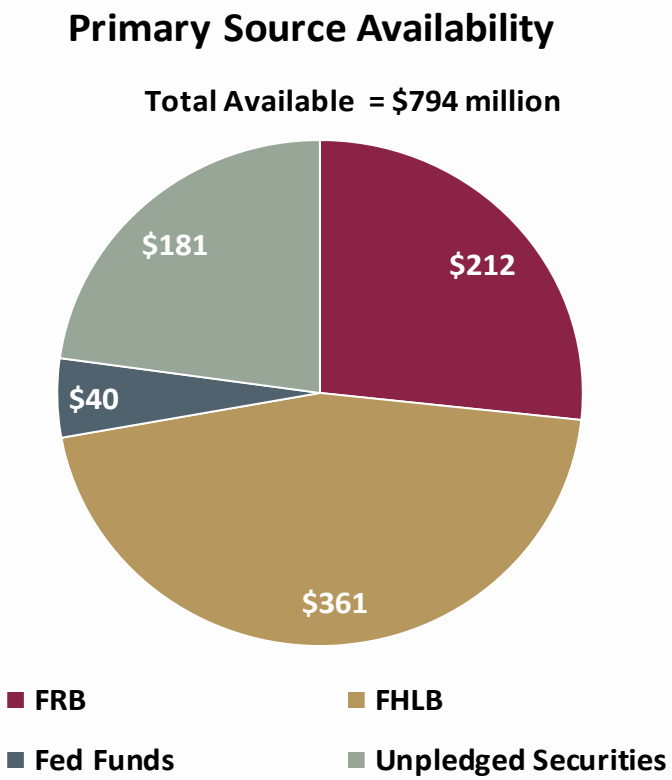
($ in thousands)	March 31, 2011 Balance	Avg Rate	March 31, 2012 Balance	Avg Rate
Noninterest-bearing	$ 233,197	---	$ 308,007	---
Interest-bearing	437,113	0.35 %	435,063	0.12 %
Savings	183,137	0.26	225,289	0.15
Money market	318,787	0.45	338,055	0.35
Total core deposits	1,172,234		1,306,414	
Certificates of deposit:				
Retail CDs < $100,000	499,053	1.90	421,910	1.38
Retail CDs ≥ $100,000	394,011	2.13	331,571	1.73
Total retail CDs	893,064		753,481	
CDARs	84,406	0.82	79,988	0.50
Brokered CDs	195,076	1.43	124,606	1.11
Total wholesale CDs	279,482		204,594	
Total deposits	$ 2,344,780	1.06 %	$ 2,264,489	0.68 %

Deposit Trends



Liquidity Sources

March 31, 2012



- Stable core deposit base
- Multiple funding sources
- Consistent cash flows from securities portfolio
- Capacity to obtain additional Brokered and Jumbo CDs

Key Liquidity Ratios:	03/31/11	03/31/12
Funding Availability/Assets	16.07%	25.28%
Total Deposits/Total Funding	80.88%	81.17%
Brokered Deposits/Total Funding	9.51%	7.22%
Unpledged Securities/Total Assets	4.66%	5.87%

Credit Quality

Credit Trends

($ in millions)	As of and for the Quarter ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Credit Metrics					
Total nonperforming assets ("NPA")	$ 182.3	$ 70.4 [1]	$ 67.2 [1]	$ 68.2	$ 71.7
NPAs/assets	5.52%	2.18% [1]	2.10% [1]	2.17%	2.28%
Net charge-offs ("NCO")	15.9	12.4 [2]	7.9 [2]	8.3	9.5
NCOs/average loans	2.45%	1.96% [2]	1.33% [2]	1.39%	1.60%
Criticized loans[3]	$ 82.3	$ 67.3	$ 62.4	$ 66.4	$ 59.8
Classified assets[3]	273.7	149.3	132.7	135.1	136.2
Classified assets/Bank tier 1 capital + allowance for loan losses ("ALL")	75.40%	50.58%	41.76%	40.53%	40.83%
Classified assets/FFCH tier 1 capital + ALL[4]	67.79%	41.57%	36.77%	36.12%	36.56%
Credit Metrics Excluding Covered Assets					
Total nonperforming assets	$ 159.9	$ 46.2	$ 39.5	$ 43.1	$ 44.7
NPAs/assets	4.84%	1.43%	1.23%	1.35%	1.42%
Criticized loans[3]	$ 67.7	$ 56.2	$ 54.3	$ 59.5	$ 55.0
Classified assets[3]	236.8	101.0	89.9	94.1	95.1
Classified assets/Bank tier 1 capital + ALL	65.23%	34.21%	28.29%	28.21%	28.51%
Classified assets/FFCH tier 1 capital + ALL[4]	58.64%	28.12%	24.91%	25.15%	25.53%

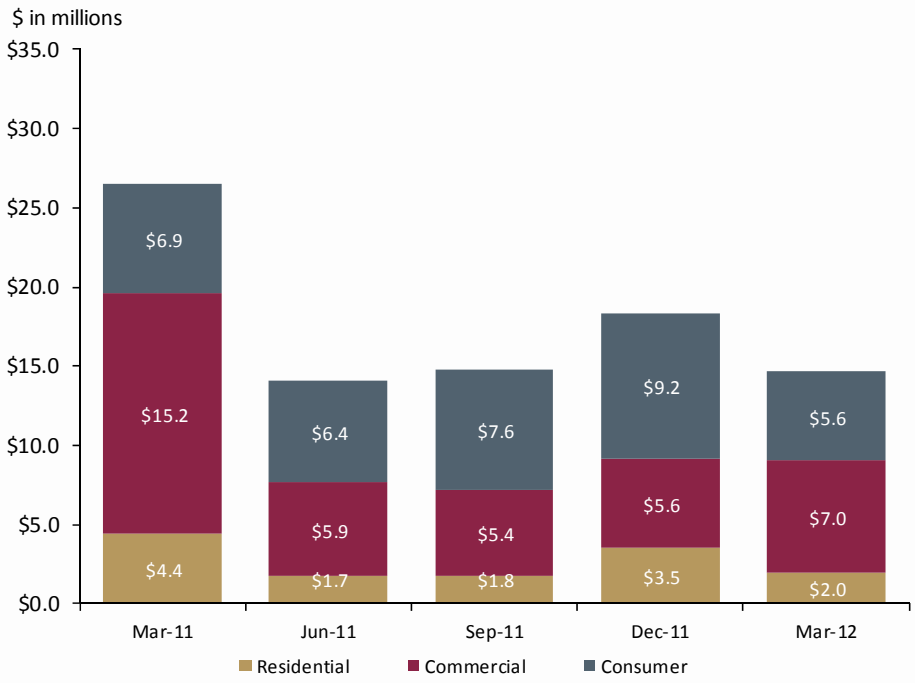
[1] Excludes nonperforming assets held for sale of $42.7 million and $41.3 million at June 30, 2011 and September 30, 2011, respectively.

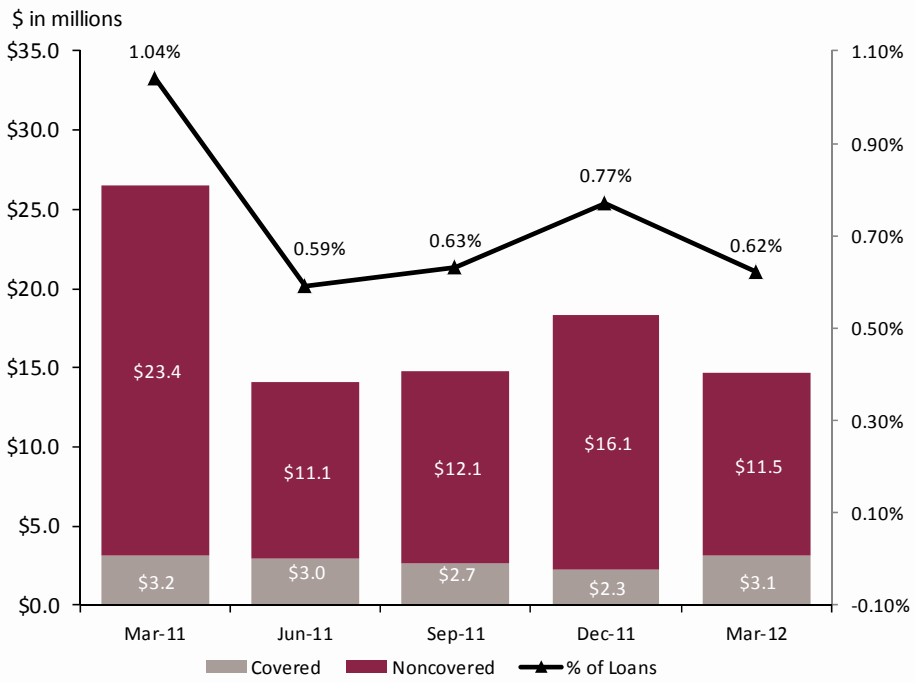
[2] Excludes charge-offs of $95.0 million and $2.2 million from loans reclassified to held for sale for the quarters ending June 30, 2011 and September 30, 2011, respectively.

[3] Criticized loans and classified assets (consisting of classified loans and OREO) are based on regulatory guidance.

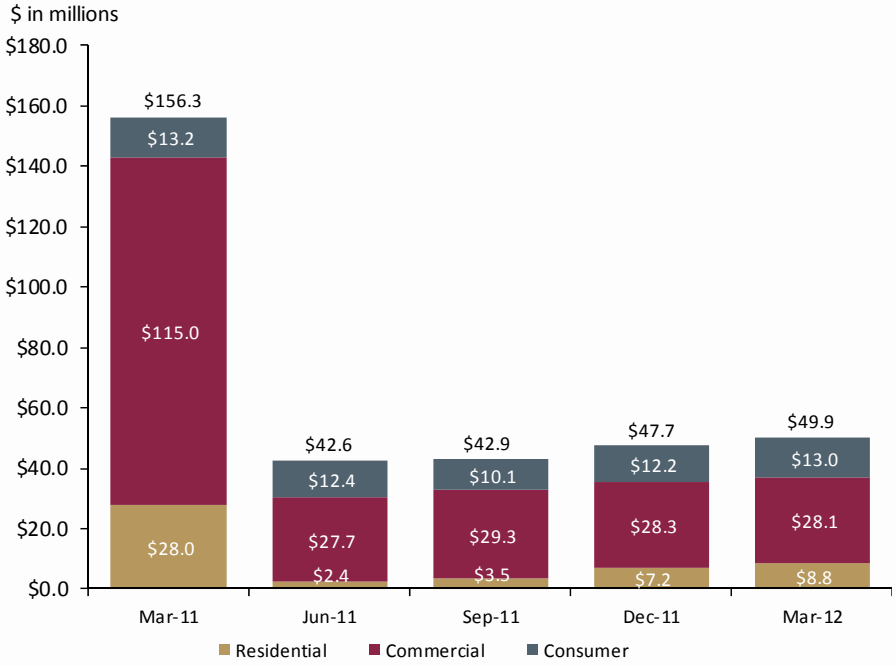
[4] FFCH began reporting regulatory capital information at March 31, 2011. All prior periods are pro forma calculations.

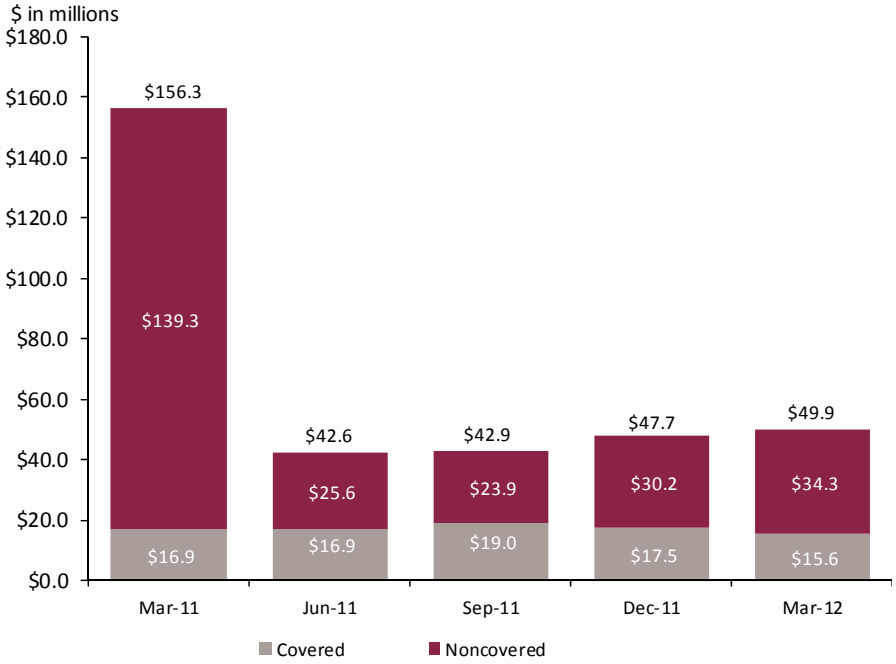
Delinquent Loans





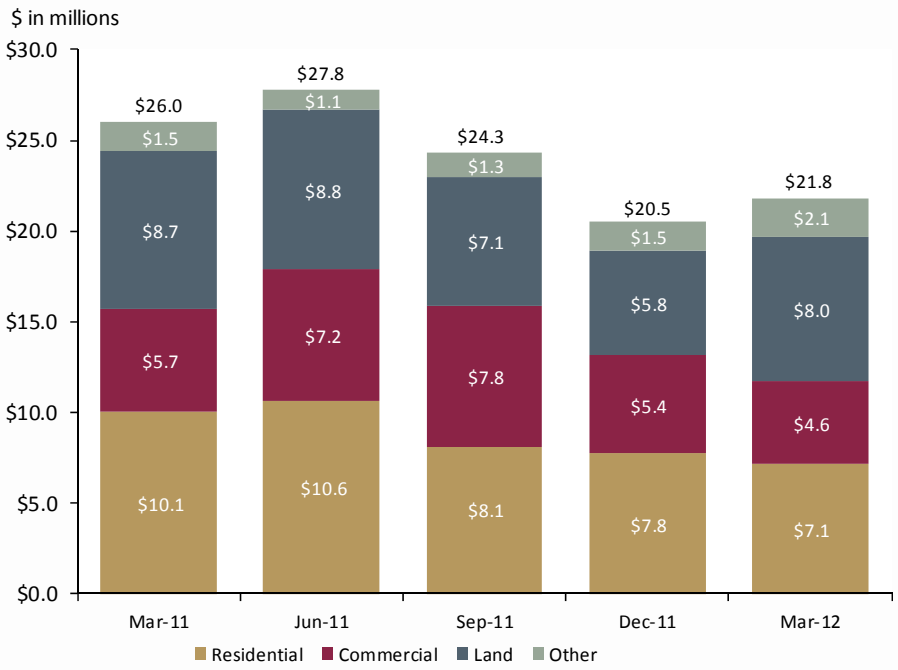
Nonperforming Loans

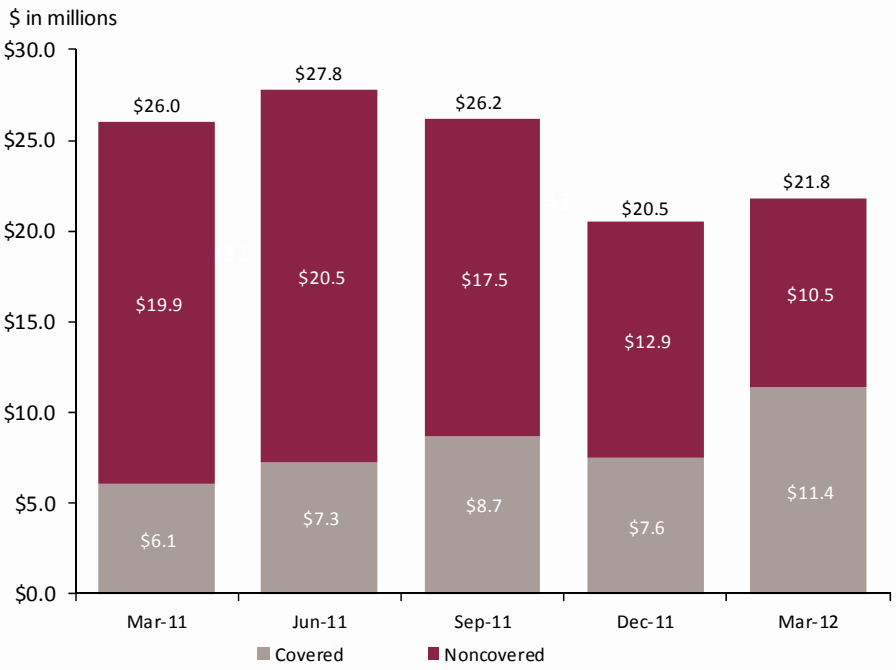




Note: Nonperforming loans include loans past due 90+ days still accruing interest and restructured loans still accruing interest. Nonperforming loans held for sale of $43 million and $39 million were excluded from the graph, for the quarters ended June 30, 2011 and September 30, 2011 respectively.

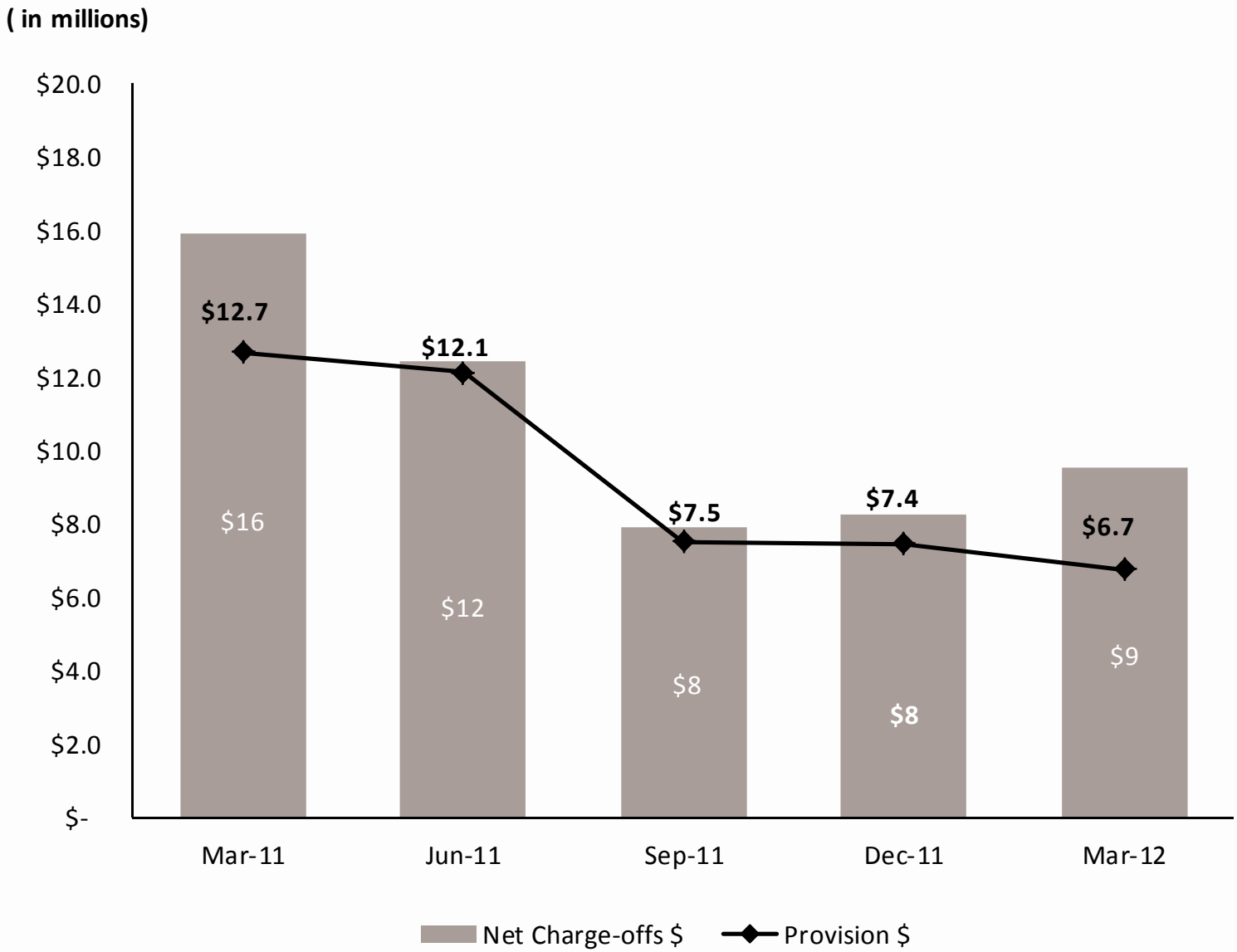
Other Repossessed Assets





Note: Other reposessed assets excludes $1.9 million of non-covered other real estate owned that was included in assets held for bulk sale at September 30, 2011.

Net Charge-offs and Provision



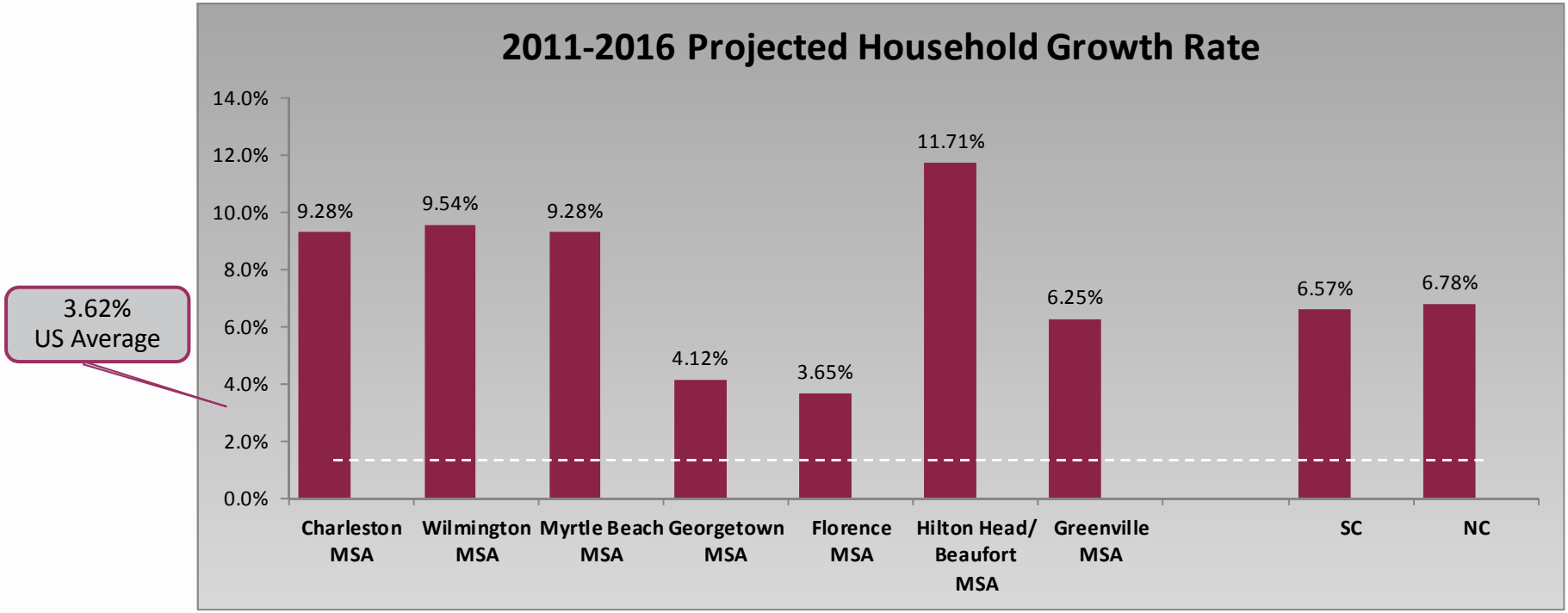
Note: Excludes charge-offs of $95 million and $2.2 million and provision of $65.7 million and $1.4 million from loans reclassified as held for sale for the quarters ending June 30, 2011 and September 30, 2011, respectively.

Investment Opportunity

- **Well positioned balance sheet**
  - Substantially reduced level of problem assets during 2011
  - Stable core deposit base and ample sources of liquidity
  - Strong capital position
- **Continued core earnings enhancement opportunities**
  - Diversified income sources and initiatives for additional revenue enhancement
  - Effective management of interest-rate risk
  - Improving business processes and cost control for operating efficiency gains
  - Anticipate credit cost reductions related to improved credit quality
- **Experienced senior management team**
  - Diverse backgrounds include national, regional and community banks
- **Demographically attractive banking markets**
  - Economic development initiatives in existing markets
  - Carolinas markets considered highly attractive locations for new businesses and growth opportunities

APPENDIX

Highly Attractive Markets



	Charleston MSA	Wilmington MSA	Myrtle Beach MSA	Georgetown MSA	Florence MSA	Hilton Head/ Beaufort MSA	Greenville MSA	SC	NC
Population	676,751	368,176	275,035	60,440	207,064	189,493	645,404	4,682,632	9,658,876
Projected Population Growth	8.58%	9.01%	9.22%	2.88%	3.14%	10.41%	6.15%	6.04%	6.57%
Median Household Income (HHI)	$44,910	$40,649	$40,390	$38,486	$36,246	$51,129	$44,251	$41,607	$42,941
Projected Median HHI Growth	10.12%	11.73%	10.81%	4.67%	5.65%	9.96%	8.33%	8.43%	8.99%
Unemployment Rates 12/31/11*	7.70%	10.90%	12.00%	10.40%	10.40%	7.80%	7.60%	9.50%	10.20%
Unemployment Rates 03/31/12*	7.10%	9.90%	10.30%	9.50%	9.60%	7.30%	7.10%	8.70%	9.60%

* Not seasonally adjusted

Data Source: SNL Financial as of June 30, 2011

Economic Updates

Charleston Market Targeted Industries

- **Aerospace/Aviation**
  - Boeing plant completed and Dreamliner production in process
    - First 787 rolled out from the assembly line in April 2012 with final delivery to Air India expected by end of 2nd quarter
    - Anticipate 3,800 direct jobs; opportunity to double with suppliers
  - For 2011 year-to-date, in excess of $66 million in investment and over 700 jobs in the aerospace-related sector announced for SC
  - TIGHITCO, an industry leader in the design, fabrication and repair of engineered components and integrated systems for aerospace, locating a new $30 million manufacturing facility in Charleston, creating 350 jobs in 2012

- **Alternative Energy**
  - Clemson University Restoration Institute (CURI), created a 97-acre campus in Charleston for experts and researchers in design, planning and construction to advance global restoration methods and technologies
  - World's largest, and one of only three, wind turbine drivetrain test facility; fully operational by end of 2012, offering simultaneous testing of 7.5 and 15 megawatt power train components
  - Potential for 20,000 jobs statewide with manufacturing contract

Economic Updates

Charleston Market Targeted Industries

- **Biomedical**
  - Medical University of SC, nationally recognized research center and teaching hospital, awards 800+ degrees each year, employs more than 11,000, and annually contributes over $2.3 billion to the local economy
  - In excess of $243 million in research funding granted in 2011
  - MUSC opening drug discovery and bioengineering research buildings in next year
  - Bioscience activity in area includes 35 pharmaceutical and medical device manufacturers and more than 50 research laboratories and development companies

- **Advanced Security and IT**
  - Nearly every U.S. Department of Defense and Department of Homeland Security agency engaged in next-generation security systems and monitoring technology are housed in the region with more than 18,000 ex-military and government employees in the area
  - Hundreds of defense contractors are located in Charleston, including SAIC, SRC and BAE, with an estimated $8 billion in contracts completed since 2000
  - Space & Naval Warfare Systems Center Atlantic (SPAWAR) will soon open a new consolidated engineering laboratory to focus on IT innovations

Economic Updates

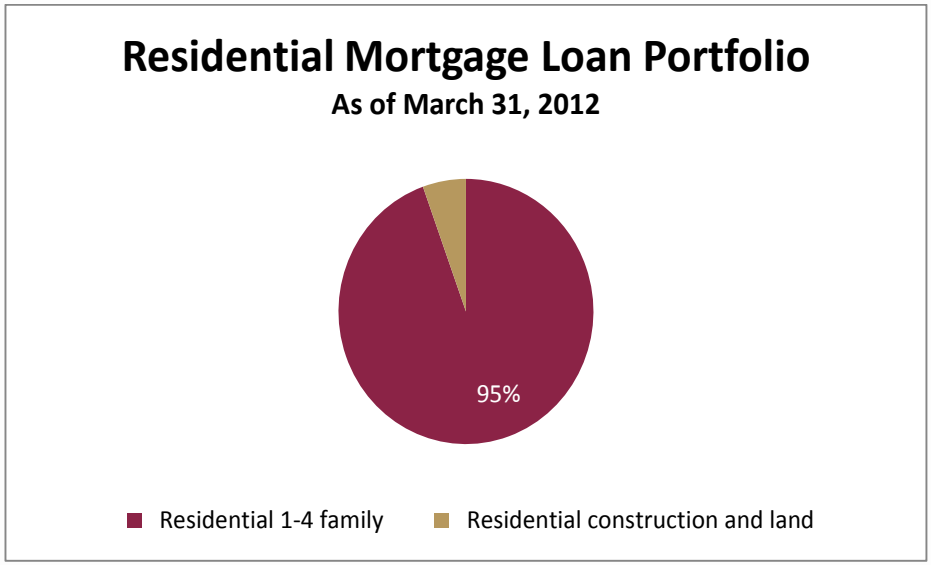
- **SC Port Authority - Charleston**
  - Eighth largest U.S. container port by cargo value
    - Over $62.4 billion in goods move through the port annually
  - Deepest harbor and shipping channels in the South Atlantic
    - Regularly hosts post-Panamax vessels at high tide
  - Approval for study to deepen harbor 3 – 5 feet to accommodate larger ships at any tide
  - Offers global connections to 150 countries around the world
  - Fiscal 2011 year ended with container volume up 8.3%
    - Incremental 1.4 million twenty-foot equivalent units "TEU"
  - Breakbulk pier tonnage increased 21.5% during the first six months of fiscal 2012
  - New three-berth, 280-acre container terminal scheduled to open in 2013

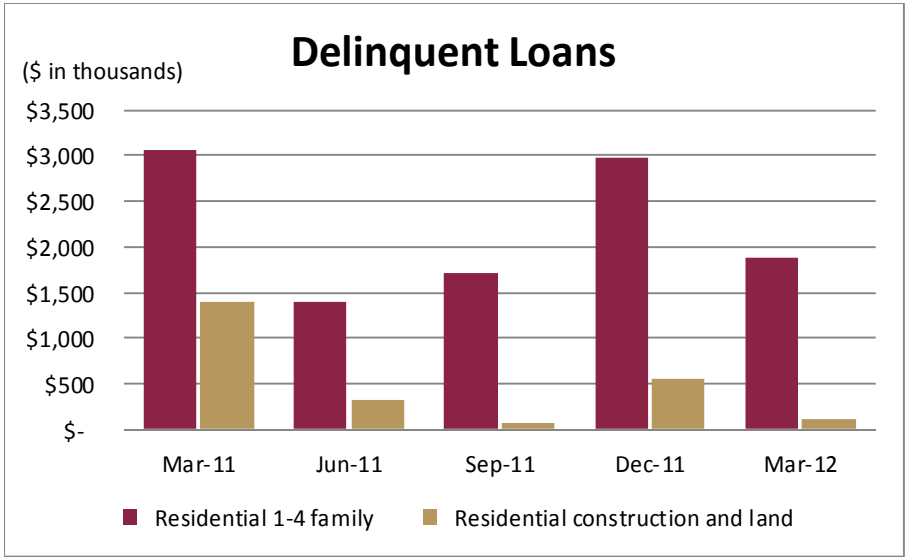
- **Other Market Updates**
  - Continental Tires building a Sumter, SC plant starting in mid-2012, total investment expected to be $500 million and will bring 1,700 new jobs by 2020
  - 2012 PGA Championship to be held at Kiawah Island will make a projected economic impact of $193 million to SC
  - PeopleMatter, a human resource technology firm locating in downtown Charleston, will invest $18.8 million and create 265 new jobs during the next 5 years

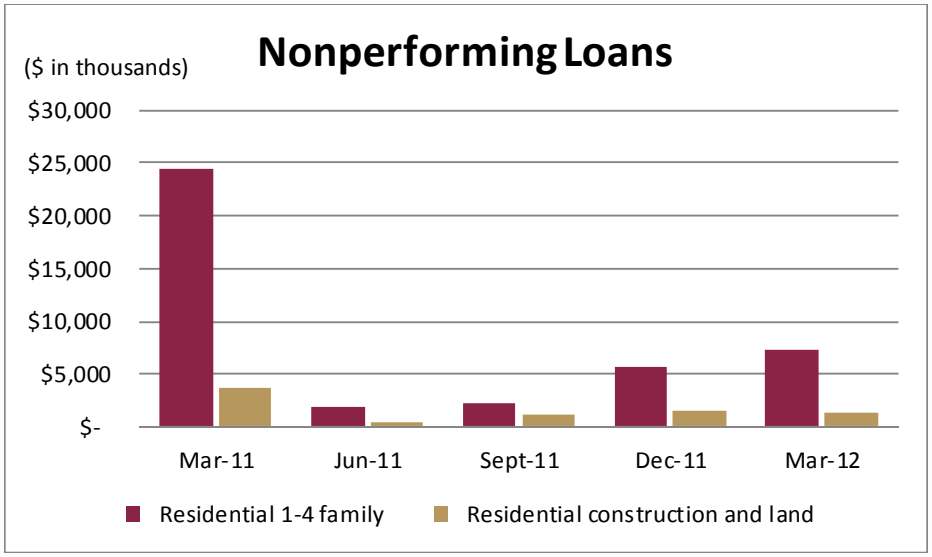
Economic Updates

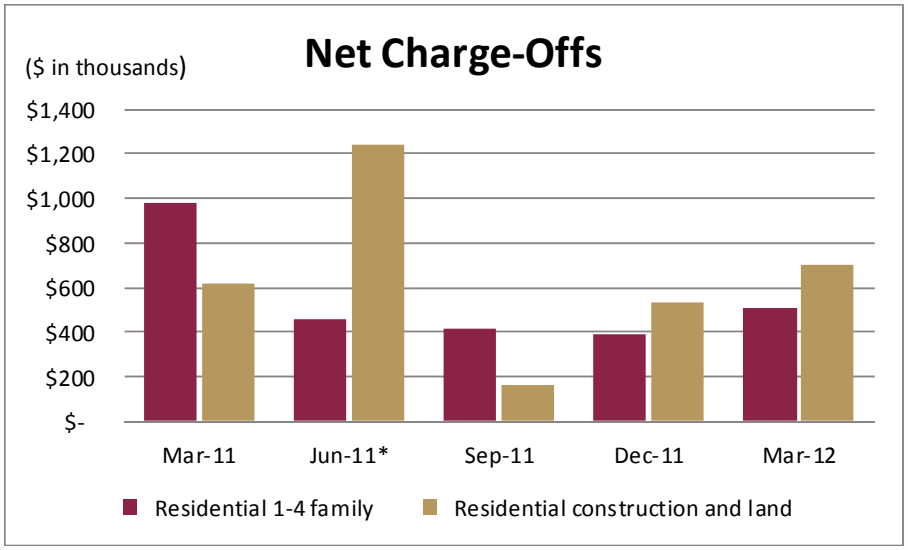
- **Upstate Market Developments**
  - BMW plans additional investments of nearly $900 million and 300 new jobs in 2012
  - Clemson University trustees approved the addition of a $6.5 million research and education center in conjunction with Clemson University/Greenwood Genetic Center
  - Greenville-based Michelin North America to hire 500 people and invest $750 million in Anderson and Lexington counties to meet growing demand for the massive tires used on earth-moving equipment
  - JTEKT Automotive South Carolina Inc. to invest $102 million and add 80 jobs to its location in Piedmont, SC during 2012
  - Amazon plans to open a one million square foot distribution center by fall 2012 in Spartanburg, creating 390 jobs

Residential Mortgage Loans









* Excludes $15 million from loans reclassified as held for sale.

Residential Mortgage Credit Quality Trends

	As of and for the Quarter ended									
	March 31, 2011		June 30, 2011		September 30, 2011		December 31, 2011		March 31, 2012	
(dollars in thousands)	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio
Delinquent Loans[1]										
Residential 1-4 family	$ 3,050	0.33%	$ 1,404	0.16%	$ 1,722	0.19%	$ 2,986	0.31%	$ 1,889	0.19%
Residential land	1,398	2.86	325	0.76	65	0.16	561	1.35	123	0.30
Total delinquent residential loans	$ 4,448	0.45%	$ 1,729	0.18%	$ 1,787	0.18%	$ 3,547	0.34%	$ 2,012	0.20%
Nonperforming Loans										
Residential 1-4 family	$ 23,663	2.58%	$ 1,242	0.14%	$ 1,595	0.18%	$ 4,977	0.51%	$ 6,649	0.68%
Residential land	3,604	7.36	451	1.05	1,140	2.80	1,448	3.48	1,398	3.43
Total residential nonaccruing loans	27,267	2.77%	1,693	0.18%	2,735	0.28%	6,425	0.62%	8,047	0.78%
Restructured loans still accruing	732		733		734		734		734	
Total nonperforming residential loans	$ 27,999		$ 2,426		$ 3,469		$ 7,159		$ 8,781	
Net Charge-Offs										
Residential 1-4 family	$ 976	0.43%	$ 461 [2]	0.21%	$ 414	0.18%	$ 391	0.16%	$ 507	0.21%
Residential land	620	4.83	1,237 [2]	11.57	165	1.58	532	5.31	701	6.75
Total residential net charge-offs	$ 1,596	0.65%	$ 1,698	0.72%	$ 579	0.24%	$ 923	0.37%	$ 1,208	0.47%

[1] Includes loans past due 30-89 days.

[2] Excludes $11,716 and $2,862 from loans reclassified as held for sale

Residential Mortgage Loan Details

Analysis of Portfolio Loans As of March 2012

	% of Portfolio	Avg Yld
30-year Fixed Rate	13%	4.95%
30-year Jumbos	7%	5.21%
15-year Fixed Rate	25%	3.82%
Hybrid ARMs	10%	2.41%
Adjustable Rate Mortgages (1)	42%	3.23%
Other	3%	6.41%
	100%	3.74%

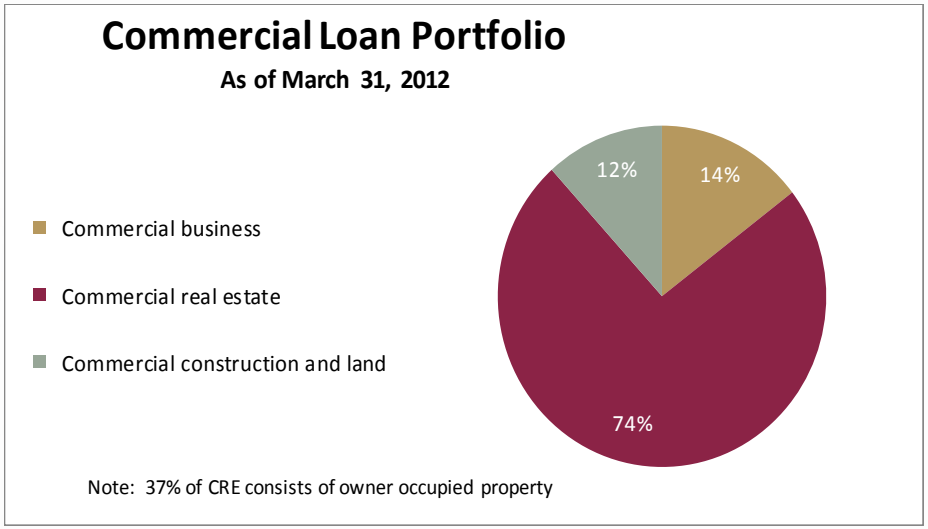
(1) - Generally up to 30 year terms and annual rate adjustment after being fixed for a period of 3, 5, 7 or 10 years in accordance with a designated index. Either a 1%, 2% or 5% cap on the rate adjustment after the initial repricing period, a 1% or 2% annual cap and a 4%, 5% or 6% life cap.

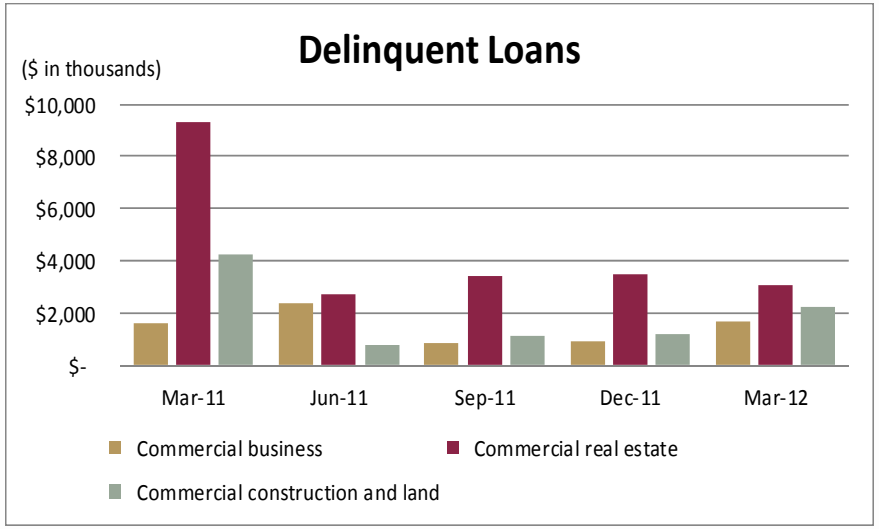
Origination Profile As of March 2012

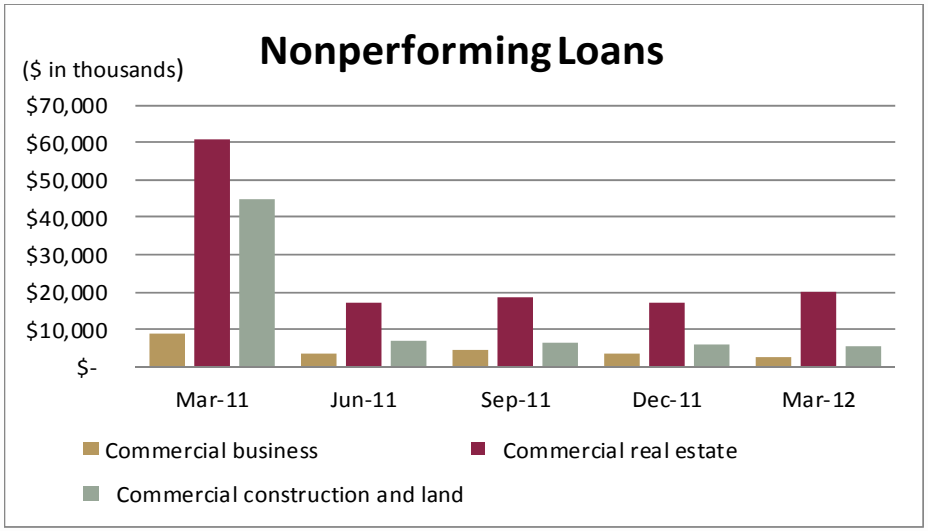
	Retail	CLD (2)
Source	48%	52%
Avg. FICO	763	763
Avg. LTV	67%	71%
Fixed rate locks	85%	99%
Purchase percentage	31%	24%
Refinance percentage	69%	76%

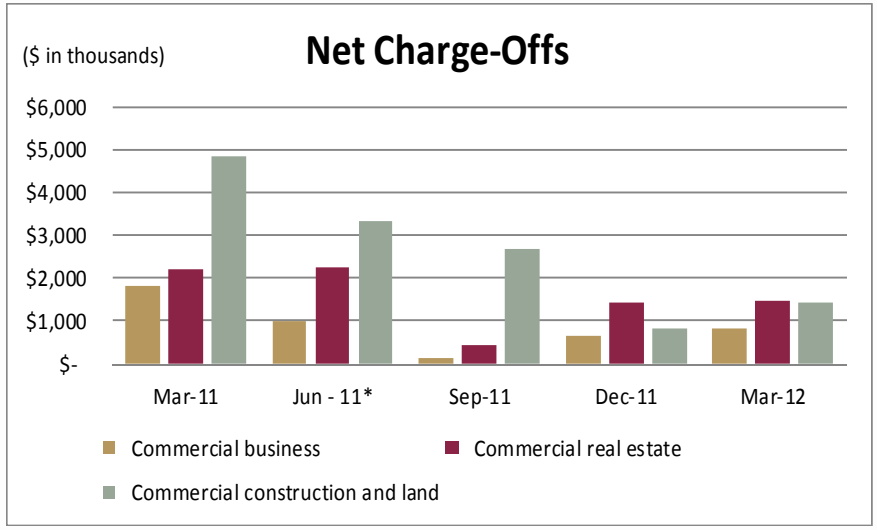
(2) - Correspondent Lending Division

Commercial Loans









* Excludes $78 million from loans reclassified as held for sale

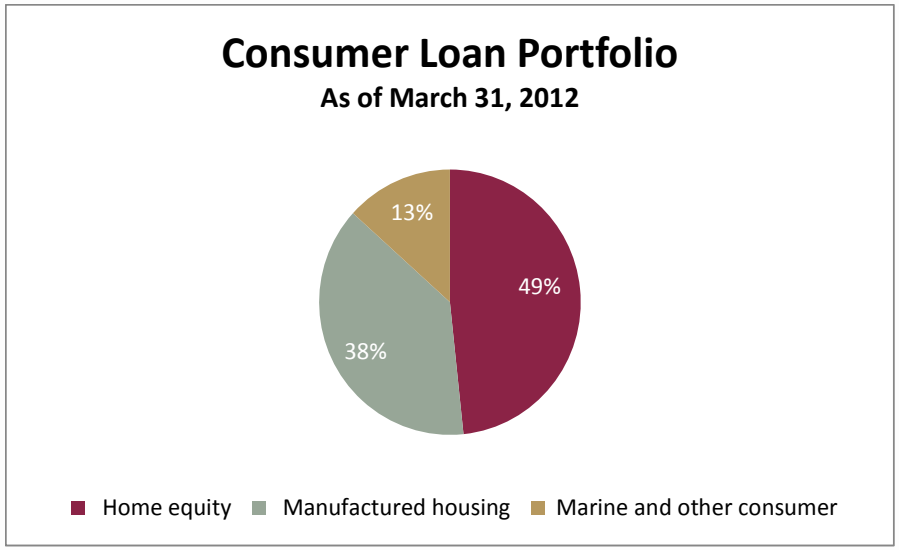
Commercial Credit Quality Trends

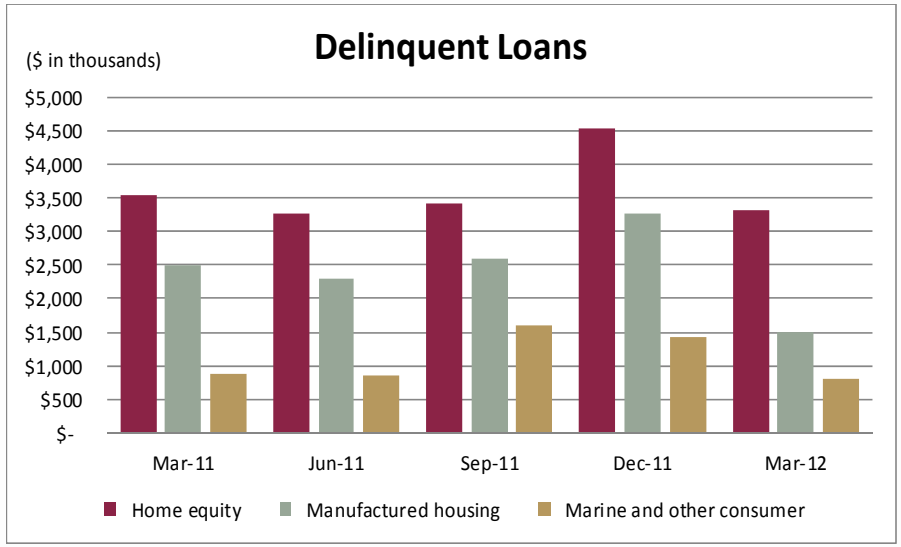
(dollars in thousands)	As of and for the Quarter ended March 31, 2011 $	% of Portfolio	June 30, 2011 $	% of Portfolio	September 30, 2011 $	% of Portfolio	December 31, 2011 $	% of Portfolio	March 31, 2012 $	% of Portfolio
Delinquent Loans[1]										
Commercial business	$ 1,618	1.78%	$ 2,387	2.96%	$ 868	1.07%	$ 908	1.08%	$ 1,677	1.90%
Commercial real estate	9,322	1.63	2,703	0.56	3,394	0.72	3,514	0.77	3,065	0.69
Commercial construction	---	---	---	---	595	3.95	---	---	---	---
Commercial land	4,220	3.54	821	1.16	537	0.80	1,185	1.94	2,271	4.15
Total commercial delinquent loans	$ 15,160	1.89%	$ 5,911	0.91%	$ 5,394	0.85%	$ 5,607	0.91%	$ 7,013	1.16%
Nonperforming Loans										
Commercial business	$ 9,151	10.06%	$ 3,664	4.55%	$ 4,322	5.34%	$ 3,665	4.37%	$ 1,931	2.19%
Commercial real estate	60,256	10.57	16,396	3.40	18,400	3.90	17,160	3.76	18,474	4.13
Commercial construction	4,074	18.29	1,451	9.05	266	1.77	573	3.48	261	1.60
Commercial land	40,740	34.14	5,411	7.67	6,310	9.36	5,232	8.54	5,240	9.56
Total commercial nonaccrual loans	114,221	14.23%	26,922	4.15%	29,298	4.62%	26,630	4.31%	25,906	4.27%
Restructured loans still accruing	818		802		---		1,677		2,229	
Total commercial nonperforming	$ 115,039		$ 27,724		$ 29,298		$ 28,307		$ 28,135	
Net Charge-Offs										
Commercial business	$ 1,829	8.00%	$ 982 [2]	4.88%	$ 136	0.69%	$ 640	3.22%	$ 825	3.73%
Commercial real estate	2,195	1.51	2,233 [2]	1.85	433	0.36	1,417	1.22	1,462	1.31
Commercial construction	(3)	(0.05)	56 [2]	1.40	635	16.12	(3)	(0.07)	(2)	(0.04)
Commercial land	4,824	14.94	3,251 [2]	18.43	2,052	12.15	804	4.94	1,439	10.51
Total net commercial charge-offs	$ 8,845	4.28%	$ 6,522	4.02%	$ 3,256	2.04%	$ 2,858	1.83%	$ 3,724	2.46%

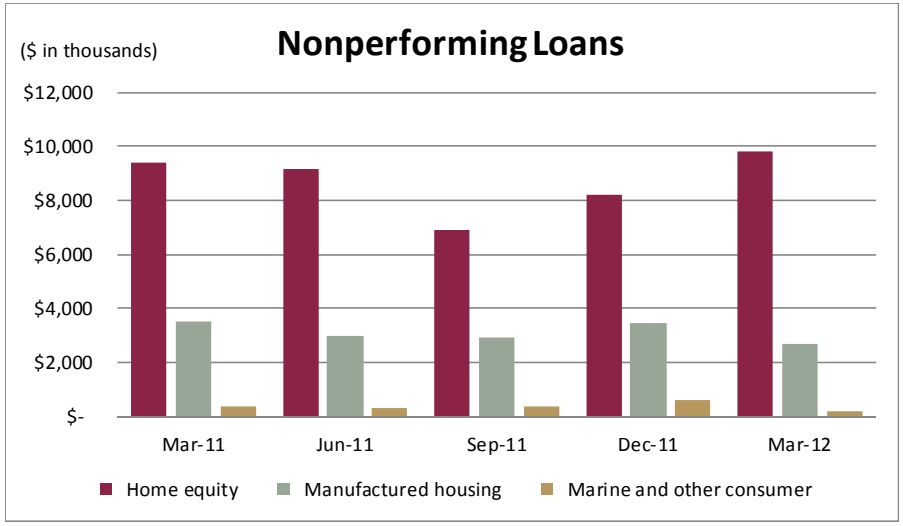
[1] Includes loans past due 30-89 days.

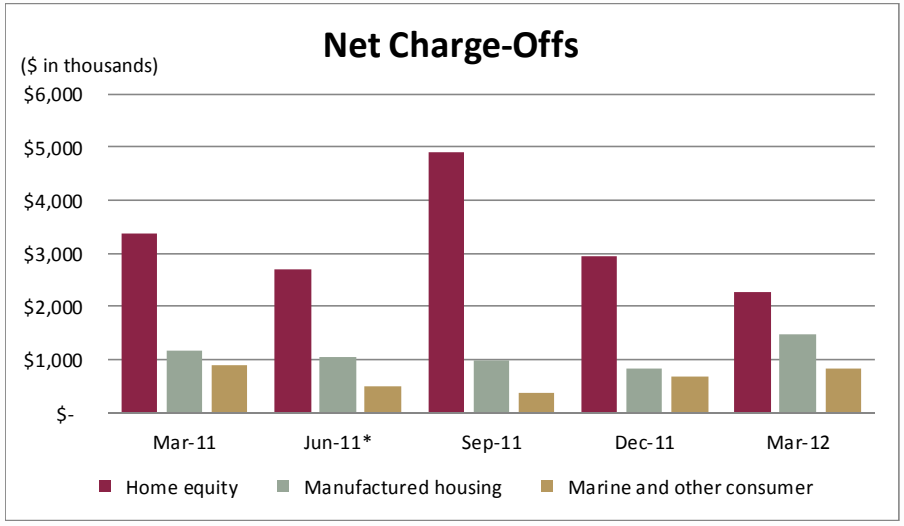
[2] Excludes $5,844 in Commercial business, $38,789 in Commercial real estate, $3,011 in Commercial construction and $30,744 in Commercial Land reclassified as loans held for sale

Consumer Loans









* Excludes $2 million from loans reclassified as held for sale

Consumer Credit Quality Trends

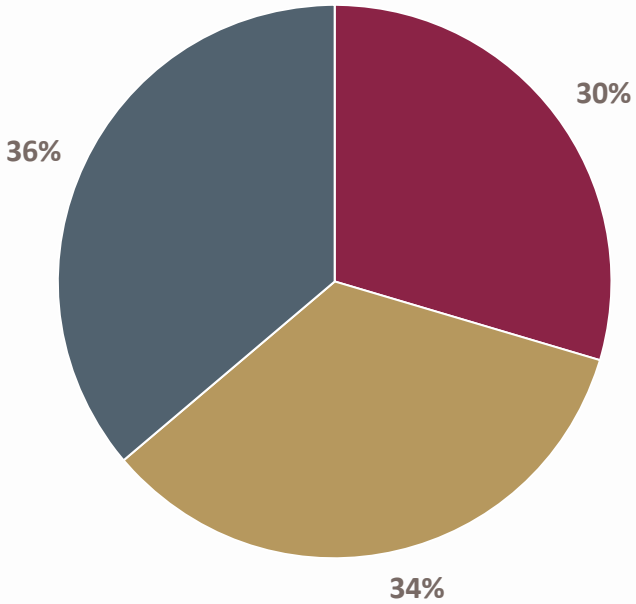
	As of and for the Quarter ended									
	March 31, 2011		June 30, 2011		September 30, 2011		December 31, 2011		March 31, 2012	
(dollars in thousands)	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio	$	% of Portfolio
Delinquent Loans[1]										
Home equity	3,550	0.92%	3,266	0.86%	3,408	0.92%	4,525	1.27%	3,315	0.95%
Manufactured housing	2,491	0.92	2,298	0.84	2,600	0.94	3,267	1.19	1,502	0.54
Marine	296	0.50	264	0.46	980	1.77	597	1.14	358	0.71
Other consumer	592	1.11	589	1.09	629	1.19	831	1.66	445	0.97
Total delinquent loans	$ 6,929	0.90%	$ 6,417	0.84%	$ 7,617	1.01%	$ 9,220	1.25%	$ 5,620	0.78%
Nonperforming Loans										
Home equity	9,379	2.42%	9,165	2.42%	6,871	1.86%	8,192	2.29%	9,779 [2]	2.81%
Manufactured housing	3,517	1.30	2,953	1.08	2,922	1.06	3,461	1.26	2,648	0.96
Marine	42	0.07	94	0.16	47	0.09	246	0.47	63	0.12
Other consumer	181	0.34	129	0.24	127	0.24	224	0.45	131	0.29
Total consumer nonaccrual loans	13,119	1.70%	12,341	1.61%	9,967	1.32%	12,123	1.65%	12,621	1.75%
Loans 90+ days still accruing	109		76		171		121		51	
Restructured loans still accruing	---		---		---		---		314	
Total consumer nonperforming loans	$ 13,228		$ 12,417		$ 10,138		$ 12,244		$ 12,986	
Net Charge-Offs										
Home equity	$ 3,368	3.43%	$ 2,686 [3]	2.83%	$ 4,910	5.28%	$ 2,955	3.26%	$ 2,264	2.57%
Manufactured housing	1,172	1.74	1,049	1.54	978	1.42	845	1.23	1,467	2.13
Marine	258	1.69	44	0.30	158	1.12	142	1.05	361	2.83
Other consumer	647	4.66	446	3.28	217	1.61	531	4.09	469	3.90
Total consumer net charge-offs	$ 5,445	2.80%	$ 4,225	2.21%	$ 6,263	3.31%	$ 4,473	2.41%	$ 4,561	2.51%

[1] Includes loans past due 30-89 days.

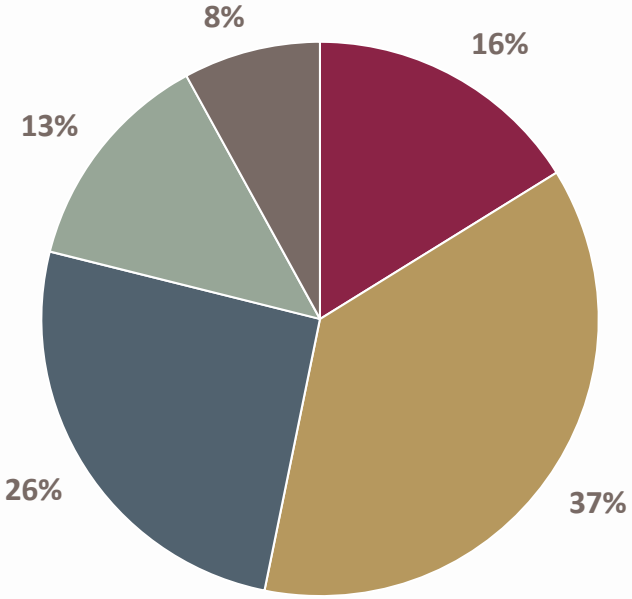
[2] Of the $9,779 of nonperforming equity loans, $3,501 are in first position, $2,367 are in second position where First Federal holds the first and $3,911 are in second position where another bank holds the first

Home Equity Composition

- Annual review of collateral values and quarterly reviews of credit score
- 94% of lines are interest only
- 22% of lines are fully drawn as of March 31, 2012
- 19% of lines are frozen as result of reviews which identified material changes in financial circumstances



- 1st Position
- 2nd Position to First Federal 1st Position
- 2nd Position to Third party 1st Position



- 800 + beacon
- 750 -799 beacon
- 700 - 749 beacon
- 660 -699 beacon

Based on portfolio review conducted as of December 31, 2011

Non-GAAP Reconciliation

(dollars in thousands, except per share data)	As of and For the Quarter Ended March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
Tangible assets and tangible common equity					
Total assets	$ 3,302,012	$ 3,221,544	$ 3,206,310	$ 3,146,964	$ 3,145,538
Goodwill [1]	(28,260)	(3,250)	---	---	---
Other intangible assets, net [2]	(9,278)	(2,776)	(2,491)	(2,401)	(2,310)
Tangible assets (non-GAAP)	$ 3,264,474	$ 3,215,518	$ 3,203,819	$ 3,144,563	$ 3,143,228
Total shareholders' equity	$ 311,527	$ 266,564	$ 268,506	$ 277,178	$ 278,043
Preferred stock	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Goodwill [1]	(28,260)	(3,250)	---	---	---
Other intangible assets, net [2]	(9,278)	(2,776)	(2,491)	(2,401)	(2,310)
Tangible common equity (non-GAAP)	$ 208,989	$ 195,538	$ 201,015	$ 209,777	$ 210,733
Shares outstanding, end of period (000s)	16,527	16,527	16,527	16,527	16,527
Tangible common equity to tangible assets	6.40%	6.08%	6.27%	6.67%	6.70%
Tangible common book value per share	$ 12.65	$ 11.83	$ 12.16	$ 12.69	$ 12.75
Pre-tax pre-provision earnings from continuing operations					
(Loss) income before income taxes	$ (2,278)	$ (65,564)	$ 4,774	$ 25,338	$ 5,980
Provision for loan losses	12,675	77,803	8,940	7,445	6,745
Pre-tax pre-provision earnings (non-GAAP)	$ 10,397	$ 12,239	$ 13,714	$ 32,783	$ 12,725

[1] Goodwill represents goodwill for continuing operations and for discontinued operations.

[2] Other intangible assets, net represents intangible assets for continuing operations and discontinued operations.

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